

1 JOHN R. RIZZARDI, WSBA No. 9388
2 JENNIFER K. FAUBION, WSBA No. 39880
3 ADITI PARANJPYE, WSBA No. 53001
4 Attorneys for AgWest Farm Credit, PCA and
5 FLCA
6 524 Second Avenue, Suite 500
7 Seattle, WA 98104-2323
8 (206) 587-0700
9
10

11 UNITED STATES BANKRUPTCY COURT
12 FOR THE EASTERN DISTRICT OF WASHINGTON

13 In re:

14 MENSIONIDES DAIRY, LLC, and
15 ART & THERESA MENSIONIDES,
16 Debtors.

CHAPTER 11

NO. 18-01681-WLH11 LEAD CASE

NO. 18-01683-WLH11

DECLARATION OF DAVID POOR IN
SUPPORT OF AGWEST FARM
CREDIT, PCA AND FLCA'S
OMNIBUS RESPONSE IN SUPPORT
OF MOTIONS (1) TO SELL DAIRY'S
REMAINING HEIFERS AND MILK
COWS; (2) TO SELL DAIRY'S REAL
PROPERTY BY AUCTION AND
CERTAIN RELATED RELIEF; AND
(3) TO SELL DAIRY EQUIPMENT
AND VEHICLES BY AUCTION

24 I, David Poor, declare as follows:

25 1. I am over the age of eighteen (18), competent to testify as to the
26 matters herein, and I make this Declaration based on my own personal knowledge,

DECLARATION OF DAVID POOR - 1

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 Second Avenue, Suite 500
Seattle, Washington 98104-2323
office 206 587 0700 fax 206 587 2308

1 or my review of the business records referenced herein, in support of AgWest
2 Farm Credit, PCA and FLCA's (together, "**AgWest**") Response in support of the
3 Plan Agent's Motions (1) to Sell Dairy's Remaining Heifers and Milk Cows by
4 Auction on a Rolling Basis [Dkt. No. 1067]; (2) to Sell Dairy's Real Property by
5 Auction and Certain Related Relief [Dkt. No. 1070]; and (3) to Sell Dairy
6 Equipment and Vehicles by Auction [Dkt. No. 1071] (collectively, the "**Sale**
7 **Motions**").

8 2. I am a relationship manager and vice president for AgWest. Art and
9 Theresa Mensonides (the "**Mensonides**") and the dairy operated by their wholly
10 owned company, Mensonides Dairy, LLC (the "**Dairy**") (collectively, the
11 "**Debtors**") are AgWest accounts for which I am the relationship manager.

12 3. AgWest has monitored the financial performance of the Dairy's
13 operations and agrees with the Plan Agent that if those operations cannot be
14 maintained on a cash neutral basis, then the assets should be sold. AgWest defers
15 to the Plan Agent's business judgment concerning the timing and structure of the
16 sale, and ultimately, AgWest supports the Plan Agent's plan to liquidate
17 substantially all assets of the estate through the auction(s) as outlined in the Sale
18 Motions.

19 4. The Sale Motions set out a plan that could result in a going concern
20 sale of the assets, but also not delay the liquidation of the various categories of
21 assets, in the event a going concern buyer is either unwilling to pay a sufficient
22 amount for the assets or cannot be found. Reducing the total livestock count in
23 advance of the auctions, while maintaining a milking herd, will significantly
24 reduce operating costs but retain the opportunity for a prospective buyer looking
25 for a turn-key operation. Moreover, the process proposed by the Plan Agent is
26 designed to significantly reduce the Plan Agent's fees and the fees and costs of

DECLARATION OF DAVID POOR - 2

CAIRNCROSS & HEMPELMANN, P.S.
ATTORNEYS AT LAW
524 Second Avenue, Suite 500
Seattle, Washington 98104-2323
office 206 587 0700 fax 206 587 2308

professionals assisting the Plan Agent, including vendors such as feed consultant and veterinary services.

5. Given the status of current financials related to the operation of the Dairy, timing of the sales is of critical importance. With the number of Triggering Events and the inability to maintain the Dairy operations on a cash-neutral basis, AgWest cannot provide further protective advances. Operating costs must be reduced and the auction marketing process must begin immediately for the Dairy's value to be maximized.

6. Further, AgWest consents to, and supports, the Plan Agent's proposed reserve of \$2.25 million to cover vendor and supplier invoices as projected, and later confirmed, by the Plan Agent.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

EXECUTED this 17th day of January, 2023 at Chehalis, Washington.

/s/ David Poor
David Poor